

To: Liverpool Bay CCS Limited
Company Number: 13194018
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Date: 24 April 2025

Direction issued by the Gas and Electricity Markets Authority to the holder of this Carbon Dioxide Transport and Storage Licence (the "Licensee") granted under section 7 of the Energy Act 2023, being a direction issued under paragraph 11.4 of Standard Condition B11 (Provision of Information to the Regulator) and paragraph 17.3 of Standard Condition B17 (Undertaking from Ultimate Controller) of the Carbon Dioxide Transport and Storage Licence, and

Notice of reasons under section 31 of the Energy Act 2023 for the decision to issue the direction.

Whereas

- A. The Licensee is the holder of a Carbon Dioxide Transport and Storage Licence (the "Licence") granted by the Secretary of State under section 7 of the Energy Act 2023 (the "Act").
- B. The Licence imposes requirements for the Licensee to procure certain undertakings from each of their Ultimate Controllers as defined in Standard Licence Condition A1 (Definitions for the standard conditions). The requirements are contained in Standard Licence Condition B11 (Provision of Information to the Regulator) ("SLC B11") and Standard Licence Condition B17 (Undertaking from Ultimate Controller) ("SLC B17") of the Licence (together "the conditions").
- C. The conditions each provide for the Gas and Electricity Markets Authority (the "Regulator") to specify the form of the requisite Ultimate Controller undertakings on the terms set out in the conditions as follows:
 - (i) Under paragraph 11.5 of SLC B11 the terms are that the Ultimate Controller (the "Information Covenantor"):
 - (a) will give to the Licensee, and
 - (b) will procure that any person (including a corporate body) which is a Subsidiary Undertaking of, or is controlled by, the Information Covenantor (other than the Licensee and the Licensee's Subsidiary Undertakings) will give to the Licensee, all such information as may be necessary to enable the Licensee to comply fully with the obligation imposed on it under paragraph 11.3 of SLC B11.

- (ii) Under paragraph 17.4 of SLC B17 the terms are that the Ultimate Controller (the "Covenantor"):
 - (a) will refrain from any action, and
 - (b) will procure that any person (including a corporate body) which is a Subsidiary Undertaking of or controlled by, the Covenantor (other than the Licensee and any of its Subsidiary Undertakings) will refrain from any action,that would then be likely to cause the Licensee to breach any of its obligations under the Licence.
- D. The Secretary of State has required the Licensee to procure the undertakings required by the Licence as a condition of the Secretary of State granting the Licensee a Licence.
- E. The Regulator considers that it is now appropriate to issue a direction specifying the form of undertakings to be procured by the Licensee for the following reasons:
 - (i) to provide certainty to the Licensee that the undertakings procured prior to the granting of a Licence, as referred to in paragraph D of this direction, will be in conformity with the requirements of the conditions;
 - (ii) to ensure that Ultimate Controller undertakings obtained by the Licensee meet all of the requirements of the conditions;
 - (iii) to provide for consistency in the terms of Ultimate Controller undertakings across Licensees and Ultimate Controllers; and
 - (iv) to facilitate the provision of undertakings by new Licensees or by existing Licensees when their Ultimate Controllers change as a result of corporate transactions.

Now the Regulator pursuant to paragraph 11.4 of SLC B11 and paragraph 17.3 of SLC B17 and for the purpose of specifying the forms of undertakings for the purposes of those conditions generally directs that any undertakings procured on or after 24 April 2025, to meet the requirements of the conditions, are to follow the form set out in the Schedule to this direction (not to be taken as excluding any further terms that may be necessary or amendments that may be necessary due to the particular circumstances of a case) unless the Regulator directs that a different form should be followed and/or varies or revokes this direction, including its Schedule, in writing upon reasonable notice.

This document also constitutes a notice for the purpose of section 31 of the Act stating the reasons for the Regulator's decision to issue the direction.

Gordon Hutcheson
Deputy Director - Low Carbon RAB
Duly authorised on behalf of the Gas and Electricity Markets Authority
24 April 2025

Form of Ultimate Controller Undertakings:

THIS DEED made on day of between:

(1) [ULTIMATE CONTROLLER] (a company registered in [] with number [] and whose registered office is at []) (the “**Covenantor**”);

and

(2) [Company] (a company registered in England with number xxx and whose registered office is at []) (the “**Licensee**”);

WHEREAS:

(A) This deed shall be effective from Licence Award.

(B) The Licensee is bound by certain obligations under the licence (the “Licence”) granted under section 7(1) as modified by section 16 and schedule 1 of the Energy Act 2023 (the “Act”).

(C) Standard Condition B11 (Provision of Information to the Regulator) and Standard Condition B17 (Undertaking from Ultimate Controller) of the Licence require the Licensee to procure from any person who is an Ultimate Controller of the Licensee enforceable undertakings in respect of:

- i. the provision of information by the Licensee to the Gas and Electricity Markets Authority (the “Regulator”), and
- ii. the conduct of that person in relation to compliance by the Licensee with its Licence obligations.

(D) The Covenantor is an Ultimate Controller of the Licensee.

NOW THIS DEED WITNESSES as follows:

UNDERTAKINGS

The Covenantor hereby undertakes in favour of the Licensee:

1. To give the Licensee, and to procure that any person (including a corporate body) that is a Subsidiary Undertaking of, or controlled by, the Covenantor (other than the Licensee and any of its Subsidiary Undertakings) will give to the Licensee, in such manner and at such times as the Licensee may require, all such Information as may be necessary to enable the Licensee to furnish to the Regulator such Information as the Regulator may reasonably require or as may be necessary for the purpose of performing:
 - i. the functions conferred on the Regulator by or under the Act; and
 - ii. the regulatory functions conferred on the Regulator by other statute or enactment.
2. To refrain from any action, and to procure that any person (including, without limitation, a corporate body) that is a Subsidiary Undertaking of, or is controlled by, the Covenantor (other than the Licensee and any of its Subsidiary Undertakings) will refrain from any action, that would be likely to cause the Licensee to breach any of its obligations under the Licence.

GENERAL

3. This deed and the undertakings given under this deed shall only take effect from Licence Award.
4. The undertakings given under this deed shall remain in full force and effect until the earlier of the date on which the Licensee ceases to hold the Licence or the Covenantor ceases to be an Ultimate Controller of the Licensee.
5. For the purposes of this deed:
 - i. any reference to an Act of Parliament shall include any statutory modification or re-enactment thereof after the date on which this deed is executed,
 - ii. any reference to the Licence shall include any modifications to the Licence after the date on which this deed is executed, and

iii. words and expressions defined for the purpose of any provision of such an Act or of the Licence held by the Licensee shall have the same meaning when used in this deed.

6. The Covenantor and the Licensee hereby exclude the operation of the Contracts (Rights of Third Parties) Act 1999.

7. This deed is governed by and shall be construed in accordance with English law.

IN WITNESS of which, this deed has been executed and delivered on the date first appearing on page 1.

EXECUTED AS A DEED BY

The Common Seal of

[Name of Ultimate Controller]

was hereunto affixed in the presence of

_____ Authorised signatory

[or]

[Name of Ultimate Controller]

Acting by two directors or a director and the company secretary

_____ Director

_____ Director/Company Secretary

[or]

[Name of Ultimate Controller]

Acting by a director in the presence of

_____ Director

_____ Witness

_____ Witness name

_____ Witness address

And

EXECUTED AS A DEED BY

The Common Seal of

[Name of Licensee]

was hereunto affixed in the presence of

_____ Authorised signatory

[or]

[Name of Licensee]

Acting by two directors or a director and the company secretary

_____ Director

_____ Director/Company Secretary

[or]

[Name of Licensee]

Acting by a director in the presence of

_____ Director

_____ Witness

_____ Witness name

_____ Witness address